

## **BROADBAND ESSENTIAL TO RURAL AMERICA'S FUTURE**

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Broadband is to communities today what electricity and basic telephone service were one hundred years ago. It is the new essential infrastructure for the commercial success of all communities, urban and rural. It is also rapidly becoming the platform by which many Americans receive all of their communications services - voice, video and data. Broadband is the bridge for remote rural communities to the American economic mainstream, but large areas in rural America are still only served by dialup Internet access connections.

For broadband truly to change the way our nation works and lives and for it to achieve its true potential as an economic driver, it must be universally available. The policy of promoting universal access to communications services for all Americans has been a foundation of our nation's economic and social development. We have long understood and accepted the principle that universally available and affordable telephone service benefits not only the residents of high cost and difficult to serve rural areas, but also the residents of urban areas who want to communicate with them. That same principle underpins our determination to expand broadband availability to all Americans, and we should use the same funding mechanism that has assured available and affordable rural telephone service to assist our effort to achieve universal broadband deployment.

But the Universal Service Fund, which helps to ensure that all Americans have access to voice telephone service at reasonable rates, is broken and in need of a comprehensive overhaul.

Consumers currently pay more than fourteen percent of long distance revenues into the fund, and that number will jump to more than fifteen percent in April. Moreover, the Fund under current law cannot be used to support the deployment of broadband facilities.

To remedy these shortcomings, I have authored a comprehensive reform of the program with Rep. Lee Terry, a senior Republican member of our Subcommittee on Communications, Technology, and the Internet. Our measure will stabilize the Universal Service Fund and ensure its continued viability by allowing use of the Fund for broadband deployment, broadening the base of contributions into the Fund, and imposing new restraints on distributions from the Fund. It will also promote universal availability of broadband by requiring recipients of universal service support to provide broadband at a download speed of at least 1.5 megabits per second within five years throughout their service territories. The National Broadband Plan released this week by the FCC is complementary to our legislative effort. It also recommends transitioning the Universal Service Fund so that it supports broadband deployment.

Our legislation is a comprehensive and forward-looking measure, which will control the spiraling growth of the Universal Service Fund while ensuring that support for both telephone services and broadband is available to the carriers which rely on it.

The communications industry affects nearly every aspect of our lives, of our communities, and of our society. New technologies, devices, and services shape how we participate in the public debate, share our stories, keep in touch with family and friends, enhance our understanding of the increasingly interconnected world around us and conduct our daily business. The Internet and its availability over broadband offers the best opportunity for rural communities to contribute to the global conversation and economy. With a broadband connection, a small business in a rural community can offer any number of services to people all over the world. Students in rural schools can have access to advanced instruction by distance learning, and rural health clinics through telemedicine can offer the foremost in highly specialized care.

In my district in Southwestern Virginia, we have first hand evidence of how broadband access can improve the economic well-being and quality of life for rural residents. With federal funds a fiber optic backbone has been built linking some of our most rural and financially unfortunate communities. Now technology based employers are locating in the region because of the data transport access the fiber backbone provides. In the Town of Lebanon in Russell County, 700 jobs in software engineering and data center management are powering a 21<sup>st</sup> Century economy.

Technology based companies are actively looking at the neighboring communities as places where ,with their data access needs met, the low costs of doing business, availability of loyal and well trained workers and excellent quality of life are powerful lures for major job creating investments.

Reforming the Universal Service Fund and transitioning it to supporting rural broadband deployment will make success stories like these far more common. Reforming the Fund is the surest way to ensure access to broadband by all, including those in our most rural, remote and underserved communities.

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